

**POST EMPLOYMENT BENEFIT FUND AGREEMENT  
BETWEEN  
THE COUNTY OF YORK AND  
THE COUNTY SCHOOL BOARD OF YORK COUNTY**

THIS AGREEMENT is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2002, by and between the County of York, Virginia (“the County”) and the County School Board of York County, Virginia (“the School Board”).

**W I T N E S S E T H:**

WHEREAS, the School Board and the County desire to create a reserve fund in Fiscal Year 2003 with local funds in an amount equal to the excess of the amount budgeted for the employer share of the retiree health care cost in the FY2003 School Operating Budget over the amount projected to be spent for the employer share of retiree health care cost in FY2003. Any funds deposited to the reserve fund shall be managed by the County and disbursed to the School Board in future fiscal years as requested by the School Board in their operating budgets, or disbursed for any other purpose as mutually agreed by the School Board and the County, in accordance with the terms and conditions of this agreement; and

WHEREAS, it is the intent of the School Board and the County to accumulate over time a reserve fund sufficient to allow the balance in such fund to be used for the gradual phasing-in to the School Operating budget in future fiscal years of the increased cost of the employer share of the retiree health insurance benefit as well as any other post employment benefit that may be offered by the School Board. It is also the intent of the School Board and the County to use the balance in the fund to provide additional lead

time for expenditure planning should significant shortfalls occur in actual post employment benefit costs in any given fiscal year.

NOW THEREFORE, the County and the School Board agree as follows:

1. The reserve fund shall be designated as the Post Employment Benefit Reserve Fund (hereinafter “the Reserve Fund”). Funds transferred to the Reserve Fund by the School Board will be held in a segregated interest bearing account under the authority and control of the County. Thereafter, disbursements out of the Reserve Fund of either principal or interest shall be made only in accordance with this agreement.
2. Beginning in fiscal year 2003, and in each fiscal year thereafter for the duration of this agreement, should the amount budgeted for post employment benefits exceed the projected expenditures, the School Board may transfer local funds in an amount equal to the excess to the Reserve Fund, to be held and disbursed as provided for in this agreement. Additionally, the School Board may, as they deem appropriate, transfer additional funds to the Reserve Fund during any fiscal year. Conversely, if in any fiscal year, actual cost to the School Board for the employer contribution to retiree health care insurance or any other post employment benefits is less than the amount in the School Board’s budget for post employment benefits as approved by the County for that year, upon a request by the School Board the County may appropriate to the School Board out of the reserve fund an amount not to exceed the difference between the budgeted amount and the actual expenditures.

3. This agreement shall be in effect for so long as there are funds remaining in the Reserve Fund.
4. Nothing herein shall prevent the parties from directing the disbursement out of the Reserve Fund for any purpose upon which both parties may agree.
5. The parties acknowledge that the binding effect of this agreement in future fiscal years is limited by the operation of the laws of the Commonwealth of Virginia. Nonetheless, the parties agree that it is the present intention of both parties to abide by the terms of this agreement in good faith.

COUNTY OF YORK, VIRGINIA

By: \_\_\_\_\_  
County Administrator

COUNTY SCHOOL BOARD OF  
YORK COUNTY, VIRGINIA

By: \_\_\_\_\_  
Division Superintendent

Approved as to form:

\_\_\_\_\_  
County Attorney